

SENATE BILL 3551

By Ketron

AN ACT to amend Tennessee Code Annotated, Title 55,
Chapter 12, Part 1, to enact the "Uninsured
Motorist Stipulation of Benefits Act of 2006".

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. This act shall be known and may be cited as the "Uninsured Motorist Stipulation of Benefits Act of 2006".

SECTION 2. Tennessee Code Annotated, Title 55, Chapter 12, Part 1, is amended by adding the following language as a new section:

§55-12-141.

(a) An owner or operator of a motor vehicle who operates a motor vehicle on the public highways of this state, or who knowingly permits the operation of the motor vehicle on the public highways of this state, who fails to have in full force and effect a complying liability policy providing at least the minimum liability coverage required by this state and covering the motor vehicle at the time of an accident shall:

(1) Be deemed to have waived any right to recover against a complying policyholder for noneconomic loss; and

(2) Recover, if at all, only for an award covering economic loss.

(b) In an action against a complying policyholder by a person deemed to have waived recovery pursuant to subsection (a):

(1) Any award in favor of such person shall be reduced by an amount equal to the portion of the award representing compensation for noneconomic losses; and

(2) No jury, as a trier of fact, shall be informed, directly or indirectly, of such waiver or of its effect on the total amount of such person's recovery.

(c) Subsection (a) shall not apply if it can be proven that the accident was caused, wholly or in part, by a tortfeasor's operating a motor vehicle under the influence of drugs or alcohol, or who is convicted of vehicular assault or homicide.

(d) The provisions of this section shall not apply to an uninsured motorist whose immediately previous insurance policy meeting the requirements of §§55-12-105 –55-12-107 was terminated or nonrenewed for failure to pay the premium, unless:

(1) Notice of termination or nonrenewal for failure to pay such premium was provided by such insurer at least thirty (30) days prior to the time of the accident; and

(2) Such insurance has lapsed, terminated, or otherwise been ineffective for a period of at least thirty (30) days prior to the accident.

(e) Nothing in this section shall be construed to preclude recovery of benefits provided or economic loss coverage against an alleged tortfeasor.

(f) Passengers in an uninsured motor vehicle are not subject to the provisions of this section.

SECTION 3. This act shall take effect July 1, 2006, the public welfare requiring it, and shall apply to all claims arising on or after such date.